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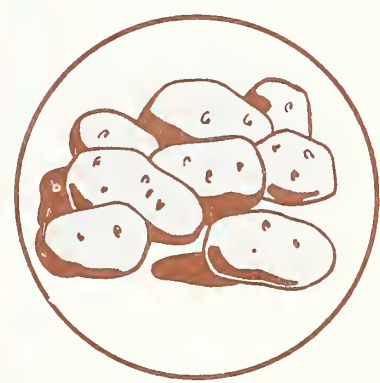
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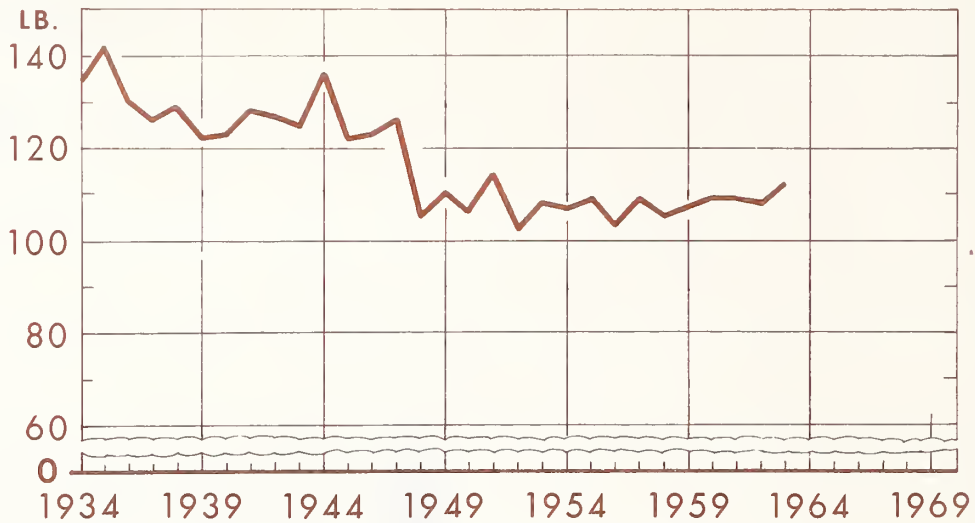
DEC 3 - 1964

CURRENT SERIAL RECORDS

1965
ACREAGE -
MARKETING
GUIDES
SPRING POTATOES



POTATOES PER CAPITA CONSUMPTION *



CIVILIAN CONSUMPTION.

*INCLUDES FRESH WEIGHT EQUIVALENT OF PROCESSED POTATOES.

U. S. DEPARTMENT OF AGRICULTURE

NEG. AMS 767-64 (10)

AGRICULTURAL MARKETING SERVICE

Per capita consumption of potatoes in the 1963 marketing year was estimated at 112 pounds, the highest since 1951 when consumption totaled 114 pounds. In the past decade, consumption of fresh potatoes has trended downward but consumption of processed products has increased. This has offset the decline in fresh use. Increases in the consumption of chips, frozen, dehydrated, and canned products were responsible for the per capita upturn in 1963. On a fresh-weight equivalent basis, per capita uses of chips and frozen items in 1963 were estimated to have amounted to 14 and 12 pounds, respectively.

The future trend in consumption of potatoes will depend, of course, on the purchasing decisions of consumers who now number more than 190 million persons. In spite of the sharp increase in the number and variety of food items on display on grocers' shelves, potato sales held at favorable levels during the past decade. During the late 1960's, per capita consumption of potatoes is not expected to vary greatly from the levels estimated for the past several years.

F O R E W O R D

The acreage-marketing guides program is designed to help growers in appraising the markets for their commodities and developing a realistic planting and production schedule. The guides provide the latest information available concerning the market potential for potatoes and each major commercial vegetable crop and the acreage needed to produce a supply in balance with market requirements.

The guides are prepared by specialists who follow the markets for the different commodities closely throughout the year. They analyze the variations of the market, check production and market opportunities, interpret the past seasons and their meaning for the coming one. All factors affecting the supply and demand for vegetables are given full consideration.

On the basis of this continuous study of the market, specific acreage recommendations are prepared for each commodity. These recommendations are the best possible estimates of the acreage needed to provide adequate supplies - enough to satisfy consumers' needs but not so much that prices get depressed.

The guide for each commodity is presented in terms of a percentage change in acreage from the preceding year's acreage. Each grower then can apply this percentage change to his own operation and obtain his individual guide. The recommendations are reviewed before publication by representatives of various agencies in the Department with particular interest in the vegetable industry.

The fundamental concept behind the guides program is that, given the latest information available, the grower will make intelligent decisions for his and the industry's best interest. When growers have kept acreage within the levels recommended by the Department, few marketing difficulties have been encountered.

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November 1964

1965 ACREAGE-MARKETING GUIDES
Potatoes - Early and Late Spring

I. INTRODUCTION

The basic objective of acreage-marketing guides is to bring about a needed change in planted acreage from that of the preceding year so that the resulting production will be in balance with market requirements. The performance of every potato producer has a bearing upon the ultimate market for this commodity. Therefore, to improve prospects for a successful season, each grower should adjust his own acreages in accordance with the individual State guide.

The recommended acreage adjustments necessarily assume normal weather conditions, usual planting schedules, and normal marketing patterns. The recommendations also assume average yields in recent years will be obtained. With these conditions, production from the guide acreages would provide adequate supplies for all normal outlets under prospective demand conditions.

Before planting time, growers and processors should evaluate carefully their potential outlets. Potato producing areas which have developed local outlets such as starch processing facilities or livestock feeding programs for the utilization of culls and other low-grade potatoes have assured themselves of a valuable price stabilizer. Areas without such local outlets for the utilization of low-grade supplies should make efforts to establish them. The Department stands ready to provide guidance and suggestions for such endeavors.

II. DEMAND FOR POTATOES IN 1965

Prices received for 1965 crop spring potatoes will be influenced by the quantities of storage and processed food potatoes that will be carried forward and marketed in the spring, by the timeliness of spring harvests, by the volume and quality of the 1965 spring crop, and by the pattern of spring crop shipments. Due to a balanced storage supply resulting from the moderate-size fall production in 1964, the quantities of storage and processed supplies that will be offered to buyers in the spring of 1965 are expected to be substantially less than last spring. Consequently, marketing opportunities for spring crop growers in 1965 are expected to be favorable.

Nevertheless, spring crop growers should assess carefully their acreage plans for 1965. Although the prospective supply of storage potatoes is indicated to be in balance with market requirements, growers in storage areas possibly may hold a larger portion of their stocks for marketing in the late winter and spring of 1965. In addition, the supply of frozen French fries normally increases to a seasonal peak by mid-spring. However, frozen holdings in the spring of 1965 may total less than the average spring holdings in 1964 of 324 million pounds. Historically, total potato acreages have been increased following marketing years of profitable prices. And the surplus production resulting from increases in acreages has been reflected in only short-term periods of prosperity for growers.

III. DEVELOPMENT OF ACREAGE MARKETING GUIDES

The spring guide recommendations were prepared after review and establishment of the 1965 national marketing guide and after tentative assessments of 1965 guides for summer and fall producing areas. In the development of the guides, the procedure is to establish a balance sheet comparing production and utilization of past crops. Supply and price relationships are evaluated. Levels and trends in utilization in principal outlets are carried forward to establish estimates of needs in the crop year ahead. The sum of the estimated needs becomes the national marketing guide, which is pro-rated to the seasonal crops and to States on the basis of average production.

For the 1965 crop year, a national potato marketing guide of 257 million hundredweight is recommended. This quantity is 1.6 percent more than the 1964 guide of 253 million hundredweight, 5.3 percent more than the indicated production in 1964 of 244 million, but is 5 percent less than the 1963 surplus crop of almost 272 million. Shown below is a summary of the balance sheet used to establish the 1965 guide.

	<u>1962</u>	<u>1963</u>	<u>Estimate</u> <u>1964</u>	<u>Guide</u> <u>1965</u>
	<u>Million cwt.</u>			
<u>Utilization items</u>				
Food	210.4	213.1	206.0	214.0
Seed	20.4	20.5	20.0	20.0
Residual	<u>35.9</u>	<u>38.1</u>	<u>18.0</u>	<u>23.0</u>
Total	266.7	271.7	244.0	257.0

Spring potato areas harvest and market their crops principally during April, May, and June, and normally furnish 10 percent of the annual supply. The spring crop marketing guide recommended for 1965 is equivalent to 10 percent of the national marketing guide.

IV. SPRING GUIDE RECOMMENDATIONS

For 1965, the acreage recommendation for the total spring crop is 128,435 acres. This is 2 percent more than the record-low 1964 total of 125,400 acres. With average yields per acre by States in 1965, the probable production from the spring guide acreage would be 25.8 million hundredweight. This would be 10 percent more than the small 1964 crop of 23.5 million hundredweight, but 9 percent less than the 1959-63 average of 28.4 million.

Guide recommendations for individual spring States range from 5 percent more acreage compared with 1964 plantings to an equal acreage. For major spring producing areas, acreage increases of 5 percent are suggested in Arizona, California, and in the eight northeastern counties of North Carolina. Plantings in 1965 equal to 1964 are recommended in Alabama and in the Hastings area of Florida. The summary table for the 1965 spring guides is shown on page 7.

Potatoes, Spring Crop: Acreage-Marketing Guides
for 1965 with comparisons

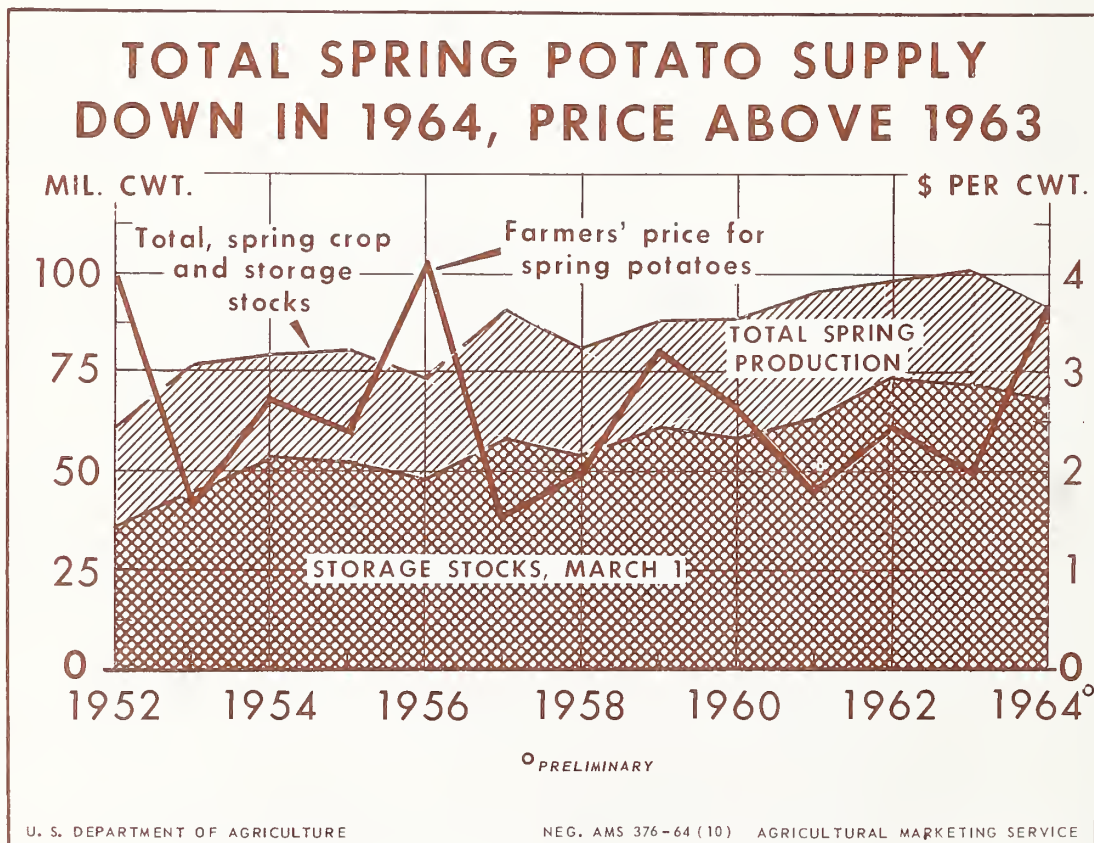
Season and State	: : Acreage : planted, : 1964 :	: : Acreage : guide, : 1965 :	: Percentage : acreage : guide is of : 1964 planted : acreage	: : Marketing : guide, : 1965 :
	<u>Acres</u>	<u>Acres</u>	<u>Percent</u>	<u>1,000 cwt.</u>
<u>Early Spring:</u>				
Florida, Hastings	24,000	24,000	100	4,560
Florida, Other	1,600	1,680	105	240
Florida, Total	25,600	25,680	100	4,800
Texas	1,700	1,700	100	221
Total	27,300	27,380	101	5,021
<u>Late Spring:</u>				
N. Carolina, 8 N. E.				
Counties	9,600	10,080	105	1,472
N. Carolina, Other				
Counties	3,000	3,000	100	354
N. Carolina, Total	12,600	13,080	104	1,826
South Carolina	3,000	3,035	101	273
Georgia	300	315	105	21
Alabama, Baldwin	14,400	14,400	100	2,016
Alabama, Other	6,600	6,600	100	660
Alabama, Total	21,000	21,000	100	2,676
Mississippi	2,500	2,625	105	136
Arkansas	4,000	4,000	100	236
Louisiana	3,500	3,500	100	196
Oklahoma	1,200	1,260	105	78
Texas	5,200	5,200	100	442
Arizona	8,200	8,610	105	2,152
California	36,600	38,430	105	12,759
Total	98,100	101,055	103	20,795
Total Spring	125,400	128,435	102	25,816

V. SPRING CROP SUMMARY

The total acreage of spring potatoes in 1964 was reduced 12 percent compared with 1963. All States shared in the decrease in acreage. In California, where the bulk of the spring crop originates, acreage was cut 21 percent; Arizona growers reduced plantings by 20 percent. In Florida, Alabama and North Carolina, the combined plantings were 5 percent less than in 1963.

Extremes in temperature and rainfall checked yield potential in most spring areas. And average yield per acre in 1964 was 8 percent less than the record-high average reported in 1963. Total production amounted to 23.5 million cwt. This ranked among the smallest crops in recent history, and was 19 percent less than the large crop produced in 1963. Per capita production of spring potatoes in 1964 was approximately 12.6 pounds, or 21 percent less than the 1959-63 average of 15.9 pounds.

From the growers' standpoint, the 1964 spring marketing season ranked among the most successful seasons in the past decade. Growers' prices for 1964 marketings were estimated to have averaged \$3.64 per cwt. This compared with the 1963 average of \$1.91, and the 1958-62 average of \$2.42. Usually, small or moderate-size potato crops bring a higher gross return than do large or



POTATOES, TOTAL SPRING CROP: Selected data for 1951-64 crops

Crop year	: Acreage : : harvested :	: Yield : : per acre :	: Production : : Million cwt. :	Disposition		: Price 1/ : : Dollars :	: Value : : of sales :
				on farms	Sold		
	1,000 acres	Cwt.	Million cwt.	Million cwt.	Million cwt.	Dollars	\$ Million
1951	191.1	121	23.1	3.3	19.8	2.39	47.2
1952	199.2	128	25.5	2.8	22.7	3.98	90.3
1953	235.7	134	31.5	5.1	26.4	1.65	43.5
1954	188.8	137	25.9	2.8	23.1	2.62	60.6
1955	190.4	146	27.8	2.5	25.3	2.39	60.3
1956	176.6	146	25.9	2.0	23.9	4.11	98.2
1957	185.5	170	31.5	2.2	29.3	1.51	44.2
1958	184.4	154	28.4	2.2	26.2	1.98	52.0
1959	144.9	178	25.8	1.7	24.1	3.22	77.7
1960	161.7	185	29.9	1.4	28.5	2.66	75.7
1961	159.2	203	32.4	1.5	30.9	1.77	54.8
1962	133.1	189	25.1	1.3	23.8	2.48	59.0
1963	141.8	204	29.0	2.0	27.0	1.91	51.7
1964*	124.4	189	23.5	N.A.	N.A.	3.64	N.A.

*Preliminary; N.A. - not available.

1/ Season average price per cwt. received by farmers.

surplus crops. This relationship was illustrated in 1963 and 1964 data. Although spring production in 1964 was off 19 percent compared with 1963, gross value of sales in 1964 is estimated at \$81 million compared with \$5.2 million in 1963.

In the Hastings area of Florida, cold wet weather checked early season growth. But crop progress was normal during April and May, and the crop moved into markets on schedule. Due to good balance in storage supplies and to the delay in maturity of the California crop, demand for Florida supplies both in fresh market outlets and from potato chippers continued strong throughout the spring season. Prices received by Florida growers for 1964 crop sales were estimated to have averaged almost \$4.00 per cwt. compared with \$2.42 a year earlier (prices at major shipping points are listed on page 14).

Growers in Alabama trimmed acreage slightly in 1964. Extremes in rainfall resulted in a below-average yield per acre, and total production was 2.3 million cwt. compared with 2.5 million in 1963. In the Baldwin area, harvest was active by mid-May and shipments peaked during June. Harvest of the small acreage in the Sand Mountain area began in late June and continued into July. Prices received by Alabama growers were high throughout the season. Growers' prices averaged \$4.25 per cwt. compared with \$2.01 for 1963 sales.

Growers in North Carolina in 1964 planted 11 percent less acreage than in 1963. Cool, wet weather resulted in poor early season growth, and average yield per acre in 1964 was substantially below 1963. Total production was 1.4 million cwt. compared with 2.1 million in 1963. Harvest was active by mid-June and shipments peaked late in June. North Carolina growers' prices averaged almost \$5.00 per cwt. This compared with the relatively low return of \$1.74 a year earlier.

In late March, 1964 potato vines in South Carolina were damaged by frost. The crop was set back, and total production in 1964 was 195,000 cwt. or was less than one-half the 1959-63 average. For 1964 crop sales growers' reported an average price of \$4.80 per cwt.

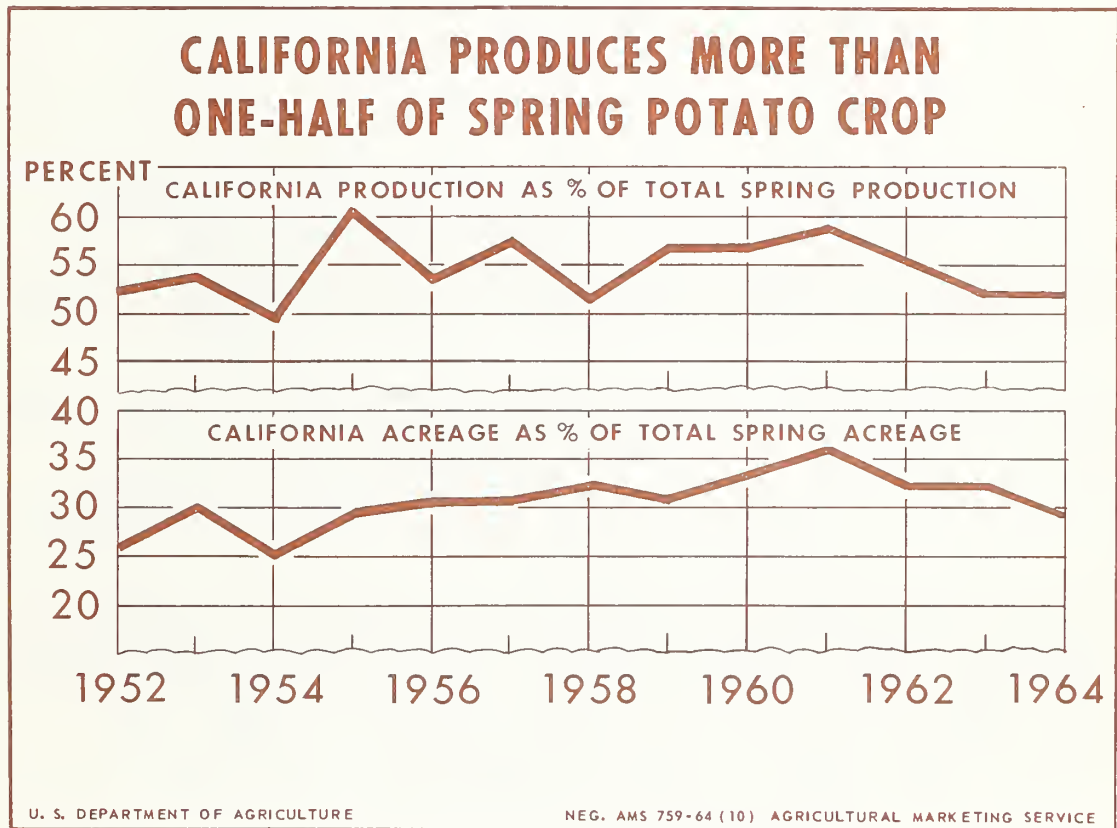
In Texas, growers decreased early spring plantings slightly and acreage for late spring harvest was cut 9 percent. Yields per acre were close to average, but total production was 8 percent less than in 1963. Texas growers received high prices throughout the 1964 spring season.

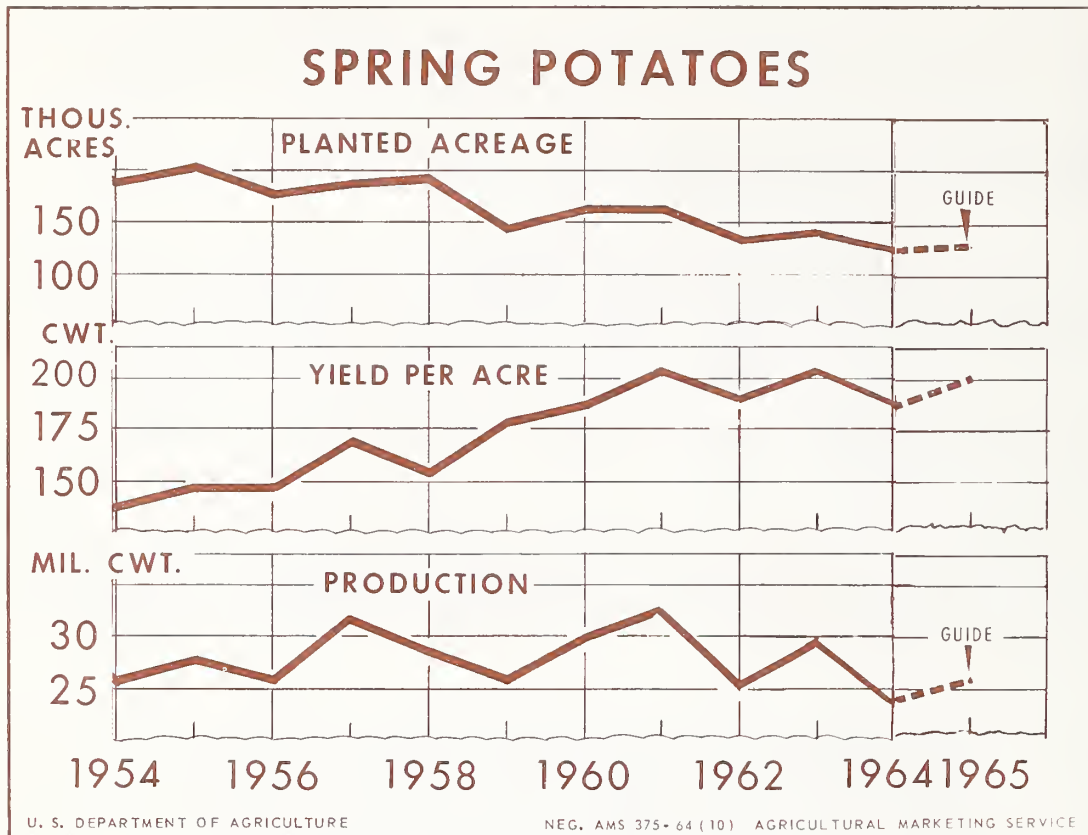
In Arizona, cool spring weather delayed the crop and supplies were limited until late May. During June, shipments approximated 800 carlot equivalents weekly and harvest was completed early in July. Approximately 40 percent of the Arizona tonnage moved to potato chip outlets and 60 percent to fresh food outlets. Average price received by Arizona growers for 1964 crop sales was indicated to be \$4.00 per cwt. This compared to \$2.24 per cwt. for the 1963 crop.

Spring acreage in California in 1964 was the smallest in recent history. Due to cold weather, crop development was a month later than normal and active harvest did not begin until early May. Shipments were relatively light throughout May. Marketings peaked in June when more than half of the total crop was shipped. A relatively large acreage was carried over for harvesting in July.

In spite of the severe bunching in shipments from California in 1964, market tone held relatively firm as offerings in competing areas were substantially below average. During the 1964 spring season, prices received by California growers showed an erratic pattern; prices declined seasonally in the early spring but increased contra-seasonally in the late spring. Average price received by growers for 1964 sales approximated \$3.21 per cwt. or almost double the 1963 average of \$1.67.

Since 1954 as indicated in the chart below, California has accounted for more than 50 percent of the total spring production. Since 1961, however, the percentage of the spring crop originating in California has shown a downward trend.

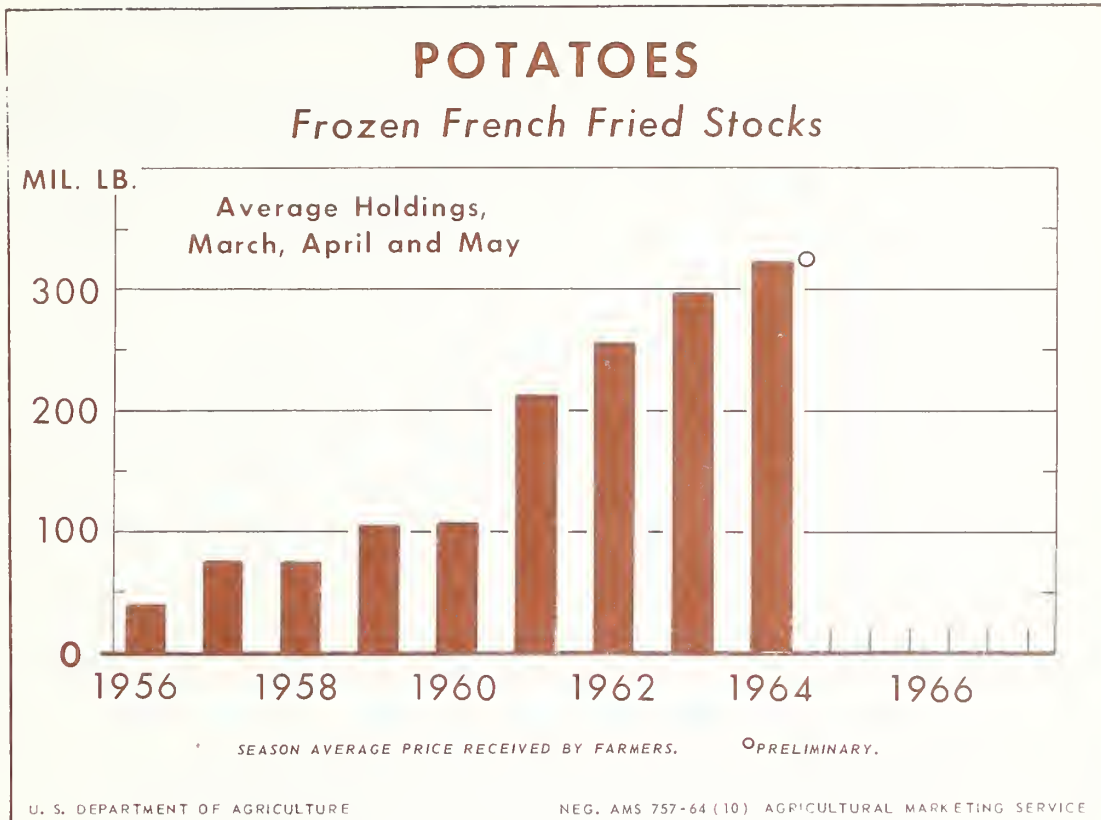




Between 1954 and 1964, the total acreage of spring potatoes declined 33 percent. Most of the decline in acreage took place in Arkansas, Georgia, Louisiana, Mississippi, Oklahoma, and South Carolina. In 1964, Alabama, Arizona, California, Florida and North Carolina combined acreages accounted for 83 percent of the total spring plantings; these states accounted for 66 percent of the total in 1954.

Similar to the trends shown in the other seasonal potato crops, average yield per acre in spring producing areas has moved up sharply. In 1964, yields in the spring area of California averaged 335 cwt. per acre. This is a record for the California spring area, and the California yield is 81 percent more than the U. S. average of 185 cwt. indicated currently for 1964.

Trends in spring acreage and yield per acre have been nearly offsetting, and total spring production has been maintained in a relatively narrow range. Total spring production in 1964 was 19 percent less than in 1963, and 17 percent less than the 1958-62 average. The spring guides for 1965 call for an increase in total plantings of 2 percent, and a total production 10 percent more than in 1964.



End-of-month stocks of frozen French fried held in cold storages in the spring of 1964 were at an all-time high, averaging 324 million pounds. Stocks peaked on April 31 at 346 million pounds. But due to below-average supplies of 1964 spring and summer fresh potatoes, stocks of frozen French fried showed a sharp seasonal drop during the late spring and summer and as of August 31, 1964, holdings amounted to 113.3 million pounds, 67 percent less than the April 31 peak and 7 percent less than the 122.2 million pounds reported August 31, 1963.

In the fall and winter of 1964-65, the volume of potatoes to be utilized for frozen products may average below year-earlier levels. Consequently, stocks of frozen French fried in the spring of 1965 may total less than in the spring of 1964. Nevertheless, the carry-over of fresh storage potatoes in the spring of 1965 plus the supply potential of frozen French fried will limit market dependency on new crop spring potatoes.

Potatoes: Average f.o.b. prices at California, Florida, and Alabama shipping points, selected weeks, 1963 and 1964

Week ended	: California, Kern Co. 1/		: Florida, Hastings 2/		: Alabama, Baldwin 3/	
	: 1963	: 1964	: 1963	: 1964	: 1963	: 1964
	<u>\$ per cwt.</u>		<u>\$ per cwt.</u>		<u>\$ per cwt.</u>	
April 25	2.54	----	3.00	3.50	----	----
May 2	2.45	3.62	2.50	4.00	----	----
May 9	2.24	3.62	2.30	4.60	----	----
May 16	2.07	3.88	2.25	4.50	2.88	----
May 23	2.07	3.82	2.48	4.95	2.16	4.30
May 30	2.02	4.38	2.06	5.12	1.94	4.12
June 6	1.69	4.82	2.05	----	1.95	5.00
June 13	1.62	4.24	----	----	2.00	5.68
June 20	1.68	4.20	----	----	----	----
June 27	2.08	4.45	----	----	3.25	----
July 4	1.94	3.60	----	----	3.12	4.71
July 11	2.56	3.72	----	----	2.56	4.52
July 18	2.83	4.50	----	----	2.50	4.60
July 25	----	----	----	----	2.50	----

Note: Prices are weekly averages of the mid-point of the daily range.

1/ Prices for Long Whites, U.S. No. 1, Size A, or better.

2/ Prices for Sebagoes, U.S. No. 1, Size A, or better.

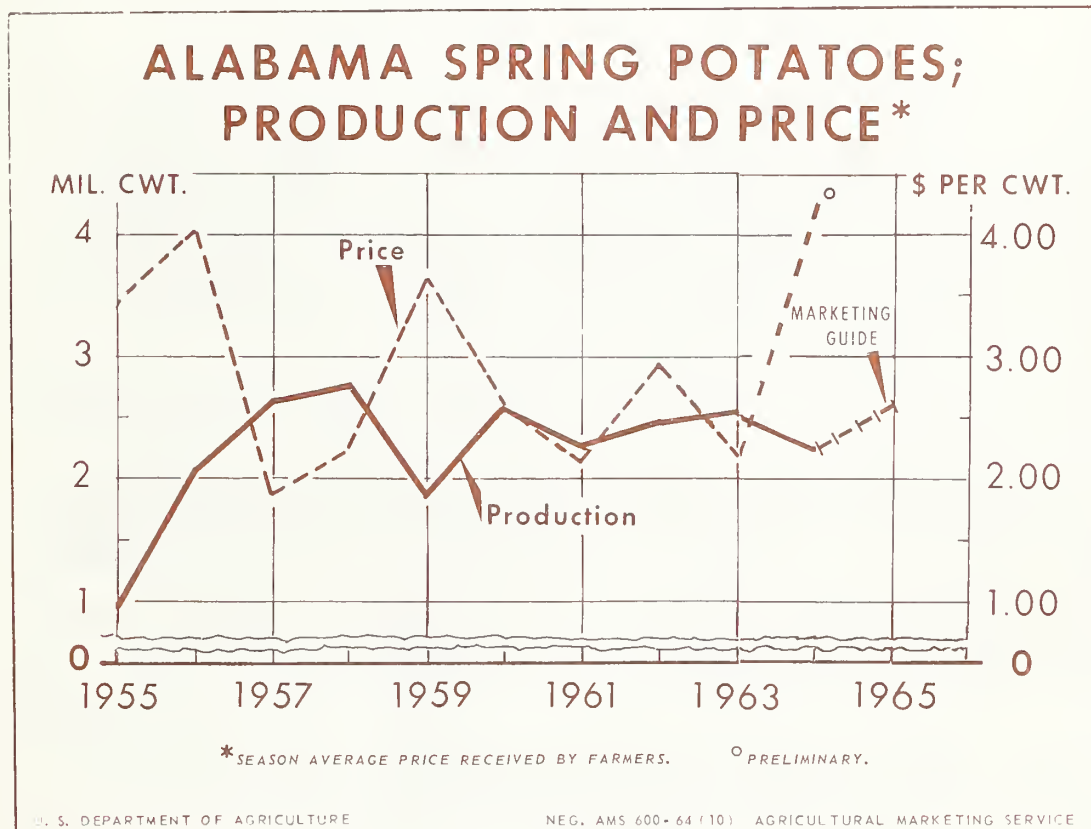
3/ Late June and July prices are for sales originating in the Sand Mountain area.

VI. CROP SUMMARIES FOR PRINCIPAL SPRING POTATO STATES

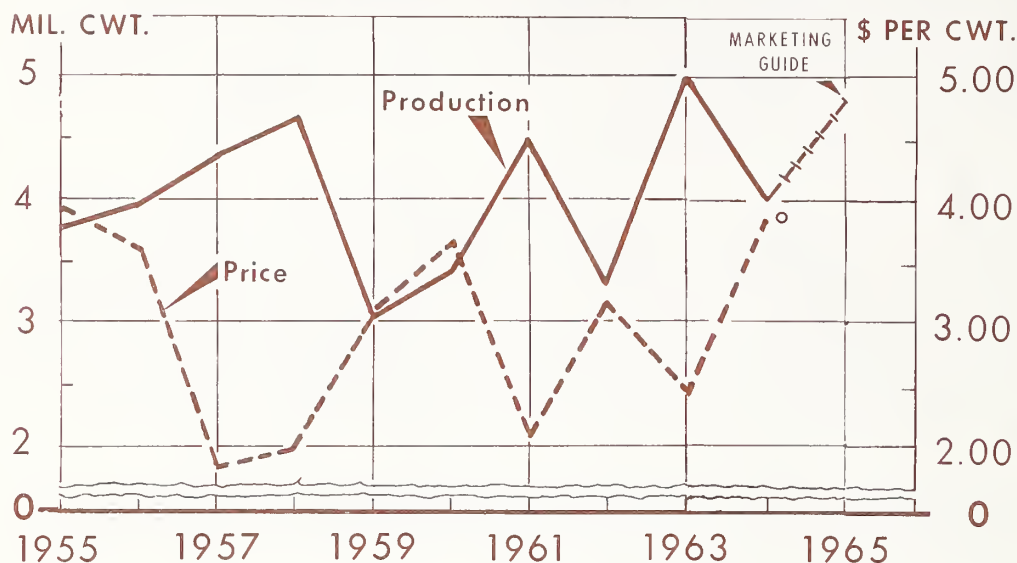
Alabama: Since the mid-1950's, total potato acreage in Alabama has ranged from 17,500 to 24,500 acres. In 1964, total plantings were 21,000 acres, 300 less than in 1963. Yields per acre the past several years have ranged from 106 to 128 hundredweight. Yields averaged 109 hundredweight in 1964 and 118 in 1963. A cold snap in March resulted in a small crop in 1955. As a result of a sharp cut in acreage in 1959, production was off sharply. Production in 1964 was 10 percent less than in 1963.

The 1964 crop in Alabama was delayed by cool, wet weather. Harvest of round red acreages in the Baldwin area started in mid-May and was completed by mid-June. The bulk of the Sebago acreage was harvested during the first half of June. The crop in the Sand Mountain area (northeastern Alabama) was marketed during the first 3 weeks in July. Prices received by growers were high throughout the season. The round red supply was sold for table use; most of the Sebago volume was sold to chippers.

The 1965 guide for Alabama is an acreage equal to that in 1964. Such an acreage, with average yields, will result in a production in 1965 moderately larger than in 1964.



FLORIDA SPRING POTATOES; PRODUCTION AND PRICE*



*SEASON AVERAGE PRICE RECEIVED BY FARMERS.

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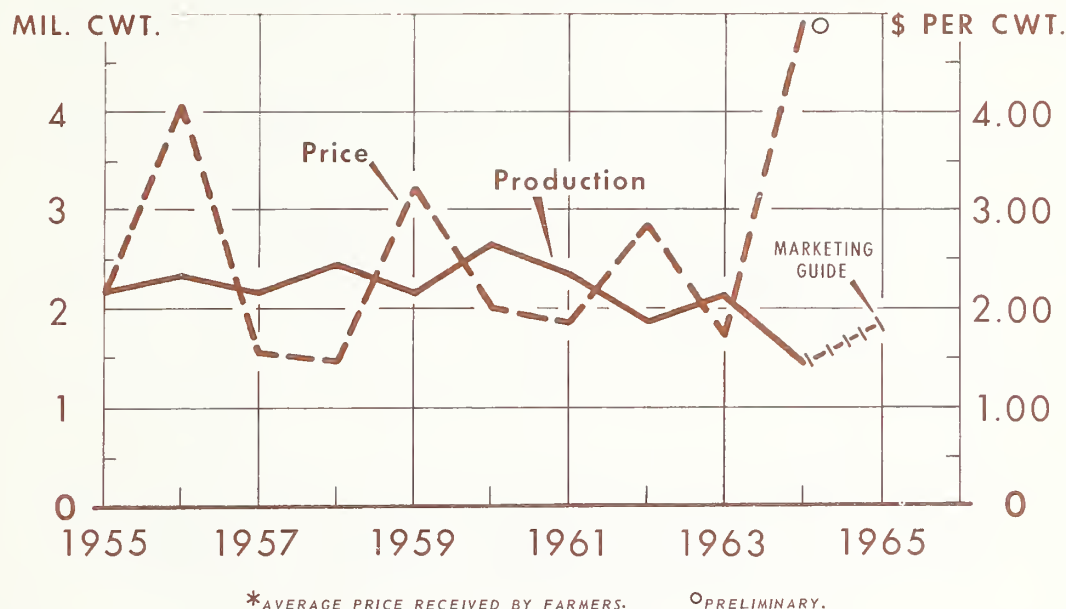
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Florida: Since 1955, spring potato acreage in Florida has ranged from 23,300 to 32,400 acres. In 1964, total plantings were 25,600 acres, or 1,200 acres below 1963. Acreage is concentrated in the Hastings area. Due to weather patterns, yields per acre in Florida fluctuate widely. Average yield peaked at 186 cwt. in 1963, but declined to 158 cwt. in 1964. Total production in 1964 amounted to 4.0 million cwt., 19 percent less than in 1963.

Crop planting in 1964 was delayed by frequent rains and cold weather. But favorable weather during March helped the crop to recover. Harvest of early fields in the Hastings area started early in April. Shipments trended upward during April, and held at peak levels during the first three weeks in May. Practically all of the crop was marketed by June 7. Demand for Florida potatoes was strong throughout the season. A large portion of the supply moved to chippers and offerings to fresh market outlets were relatively small. Prices received by growers strengthened as the season progressed, and value of sales was estimated to have been record-high.

The 1965 guide for Florida is an acreage equal to the total planted in 1964. Such an acreage, with average yields, will result in a production moderately more than in 1964 but slightly less than in 1963.

NORTH CAROLINA SPRING POTATOES; PRODUCTION AND PRICE *



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NEG. AMS 765-64 (10)

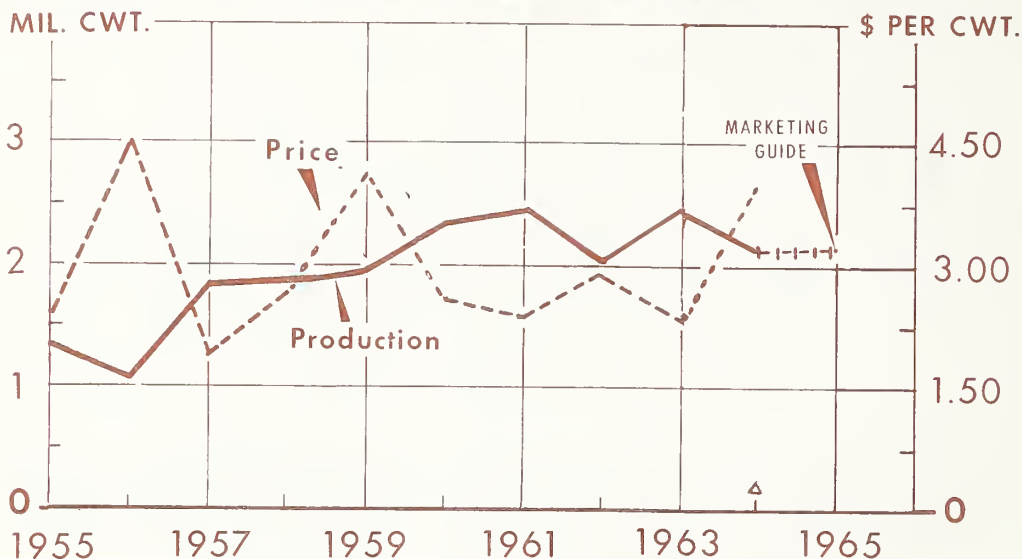
AGRICULTURAL MARKETING SERVICE

North Carolina: The total acreage of spring potatoes in North Carolina has trended downward sharply. Plantings in 1964 amounted to 12,600 acres, or 11 percent less than in 1963, and 39 percent less than in 1955. As a result of cool, wet weather in early spring, vine growth was poor and stands were irregular. Yield potential also was checked by dry weather in the late spring. Average yield per acre in 1964 was 111 cwt. compared with the state record in 1963 of 155 cwt. Total production in 1964 was 1.4 million cwt. compared with the 1959-63 average of 2.2 million.

Digging of the crop started June 5 and was completed early in July. Market volume was light throughout the season. Potato quality was generally good but the percentage of small-size tubers was above average.

The 1965 guide is a planted acreage 5 percent more than in 1964 in the 8 northeastern counties and equal to 1964 in other counties. Such an acreage with average yields, will result in a production moderately more than in 1964.

ARIZONA SPRING POTATOES; PRODUCTION AND PRICE*



* SEASON AVERAGE PRICE RECEIVED BY FARMERS.

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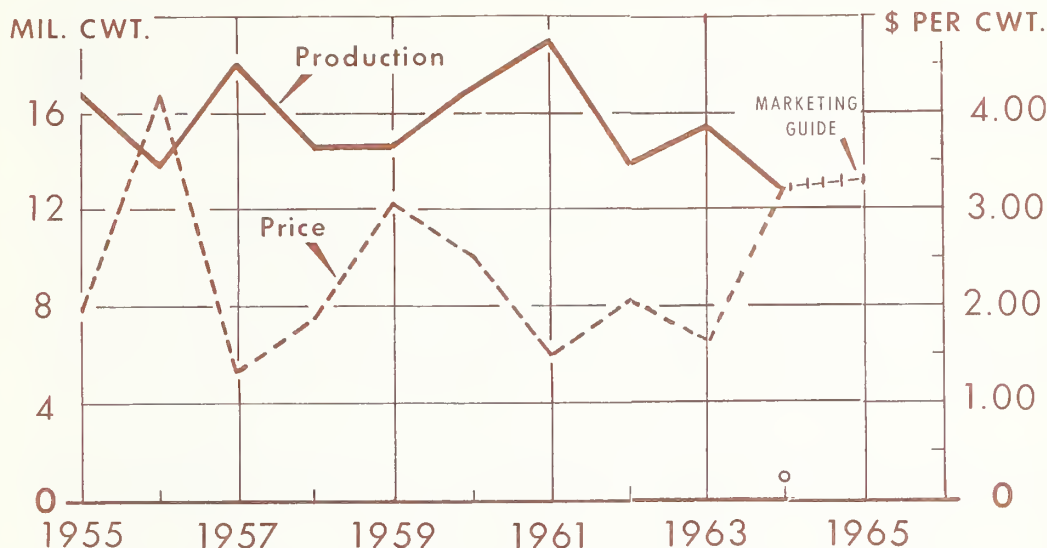
NEG. AMS 551-64 (10) AGRICULTURAL MARKETING SERVICE

Arizona: Since 1955, spring potato acreage in Arizona has ranged from 4,300 to 10,600 acres. In 1964, plantings amounted to 8,200 acres compared with 10,200 in 1963. Yields per acre in Arizona are relatively high; a yield of 260 cwt. was reported in 1964. In 1964, total production was 2.1 million cwt. compared with 2.4 in 1963.

Cool weather delayed the 1964 crop, and harvest started in mid-May, about two weeks later than normal. Approximately two-thirds of the production, consisting of long white and round red varieties, was sold for table use; one-third of the crop, consisting of the Kennebec (round white) variety, was under contract and moved to potato chippers. Market prices were high throughout the shipping season.

The 1965 guide is a planted acreage 5 percent more than in 1964. Such an acreage, with average yields, will result in a production slightly more than in 1964.

CALIFORNIA SPRING POTATOES; PRODUCTION AND PRICE*



* SEASON AVERAGE PRICE RECEIVED BY FARMERS.

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California: Spring potato acreage in California has shown an irregular downward trend. Plantings in 1964 totaled 36,600 acres, the smallest acreage reported in recent years, and 21 percent less than in 1963. In spite of cold weather, yield per acre in 1964 was a record 335 cwt. The total production in 1964 was 12.3 million cwt., or 20 percent less than in 1963, and 36 percent less than the record crop in 1961.

Due to cold weather, the crop was late and harvest began on April 19, almost three weeks later than normal. Shipments were relatively light during late April and early May. Shipments peaked during June when more than 15,000 carlot equivalents were marketed. About 10 percent of the crop was harvested after July 1.

Price received for 1964 marketings averaged at a high level, almost double the price reported in 1963. The value of crop sales was estimated at \$38.0 million compared with \$24.4 million in 1963.

The 1965 guide is a planted acreage 5 percent more than in 1964. Such an acreage, with average yield, will result in a production moderately more than in 1964.

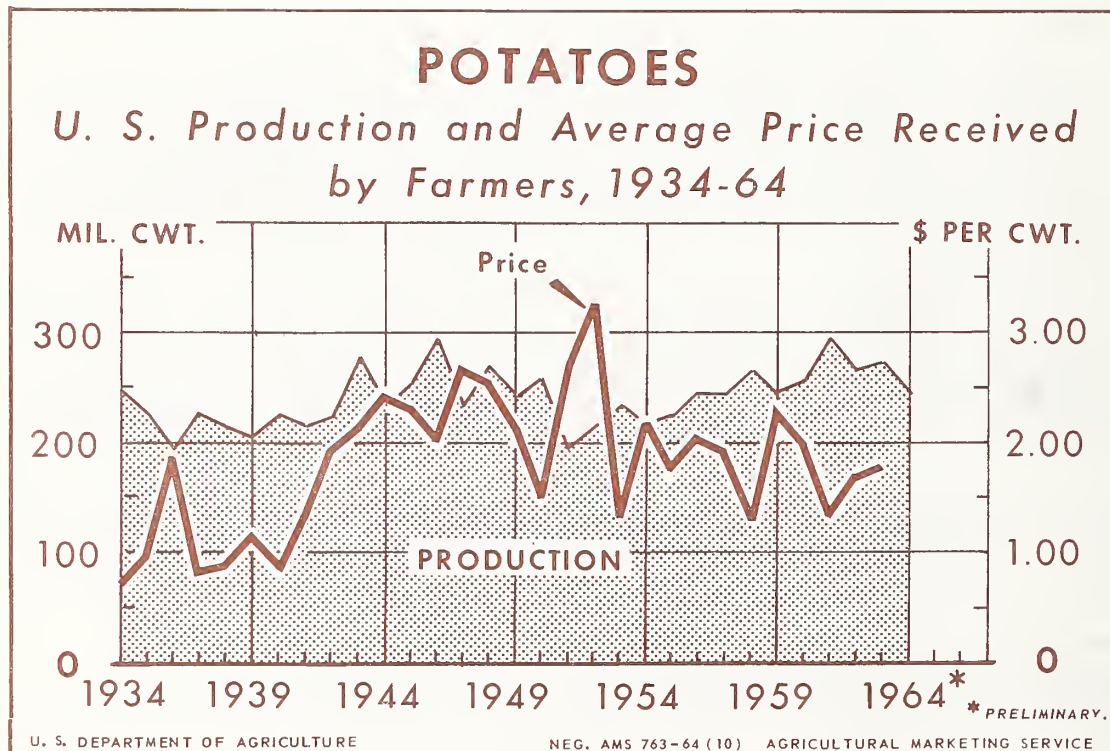
VII. REVIEW OF THE U. S. POTATO INDUSTRY

Some of the levels and trends in the potato industry considered in the preparation of the potato guides is provided in the commentary and charts that follow.

The total acreage planted to potatoes in 1964 is 1,349,500 acres. This is the smallest acreage reported since 1867. During the past decade, annual acreages have held within a narrow range. The 1960-64 planting average was 1.4 million acres, or 37 percent of the 1934 total of 3.8 million acres.

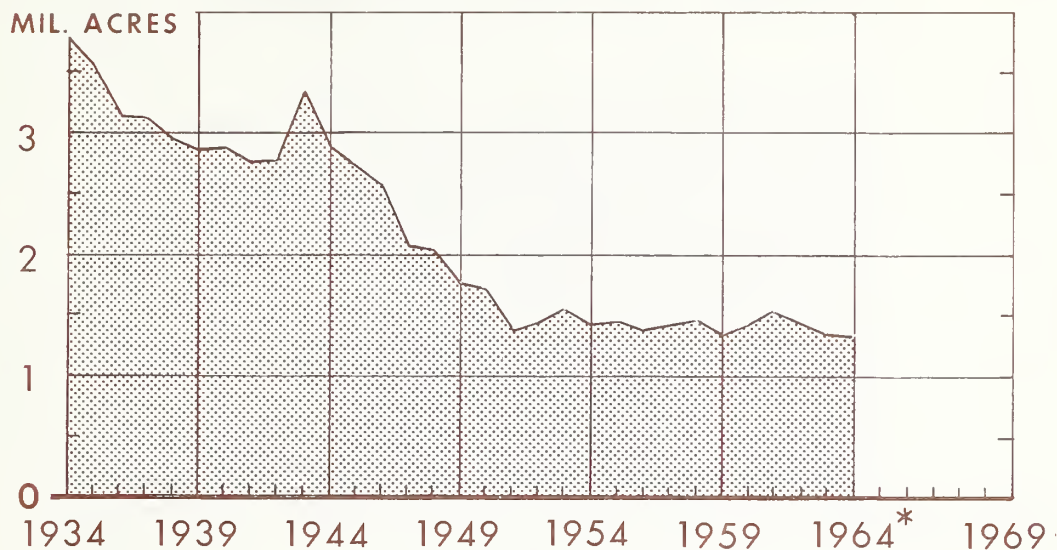
Due partly to declines in acreages in states and areas where low yields normally were obtained and due partly to the widespread adoption by growers of the latest techniques for producing the crop, yields per acre have trended upward sharply. Weather patterns also affect crop yields. Many producing areas had extremes in temperature and rainfall in 1964, and the average yield per acre is 184 cwt. compared with the 1963 record of 202 cwt.

Because of nearly offsetting trends in total acreage and average yield per acre, potato production has been maintained at usually plentiful levels. A relatively small crop of 244 million cwt. is estimated for 1964, or 10 percent less than in 1963. Based on total national needs, a crop of 257 million cwt. is recommended for 1965.



POTATOES

Total Acreage Planted, 1934-64



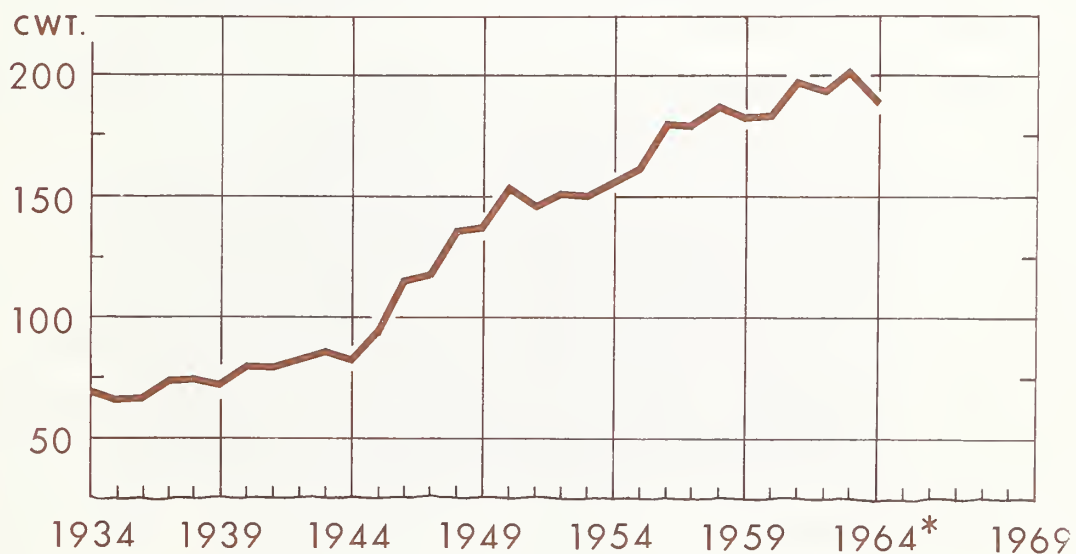
*PRELIMINARY.

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NEG. AMS 764-64 (10) AGRICULTURAL MARKETING SERVICE

POTATOES

Yield per Acre, 1934-64



*PRELIMINARY.

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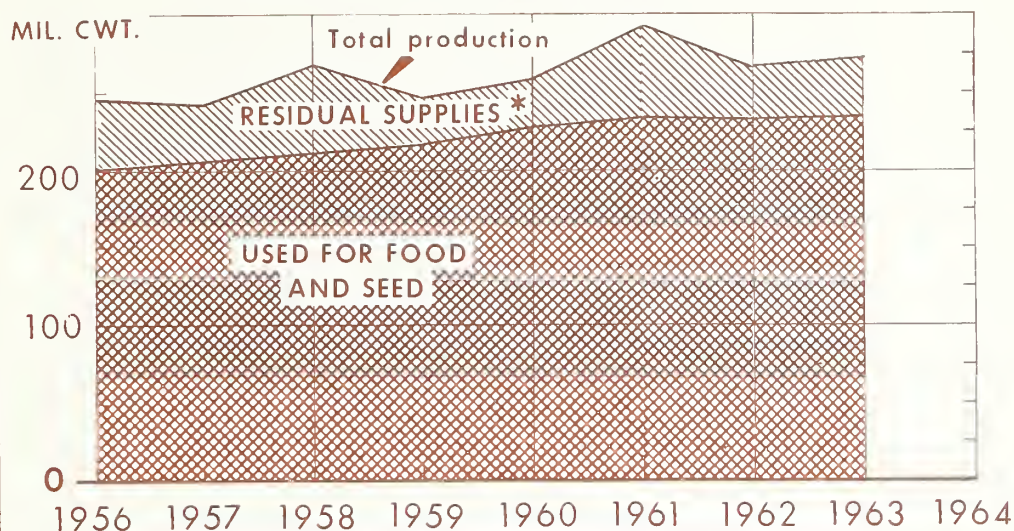
NEG. AMS 761-64 (10) AGRICULTURAL MARKETING SERVICE

Potato Utilization: As shown on the charts on the opposite page, the total annual use of potatoes for food has shown a gradual uptrend since the mid-1950's. Total food-use in the 1963 marketing year was a record 213.1 million hundredweight, 1.2 percent more than in 1962 and 8 percent more than the 1957-61 average. In the 1963 crop year, food-use accounted for 78 percent of the total production of 271.7 million hundredweight. Seed used from the 1963 production for planting 1964 acreages amounted to 20.5 million hundredweight, up fractionally compared with 1962 but 9 percent below the 1960 peak of 22.5 million. The total quantity of 1963 crop potatoes used for starch and livestock feed, and reported as on-farm shrinkage, waste and loss the residual uses, amounted to 38.1 million hundredweight, 2.2 million more than in 1962. (See table on utilization, page 24).

With a relatively small crop in prospect in 1964, the total quantity of potatoes to be used for food from the 1964 crop is expected to drop moderately compared with 1963; the total seed to be used for planting 1965 acreages is expected to approximate that used from the 1963 crop. The total quantity from the 1964 supply destined for residual outlets, however, may be less than one-half the quantity reported for the 1963 season.

A marketing guide crop of 257 million hundredweight of potatoes is recommended for the 1965 marketing year. With a crop of this size, the total quantity of potatoes to be used for food is expected to increase slightly compared with the 1963 peak. Potatoes required for seed will total approximately 20 million hundredweight. The residual quantity, which will consist mostly of low quality supplies removed in the grading process, would amount to 23 million hundredweight.

POTATO PRODUCTION MORE THAN ADEQUATE FOR GROWING DEMAND

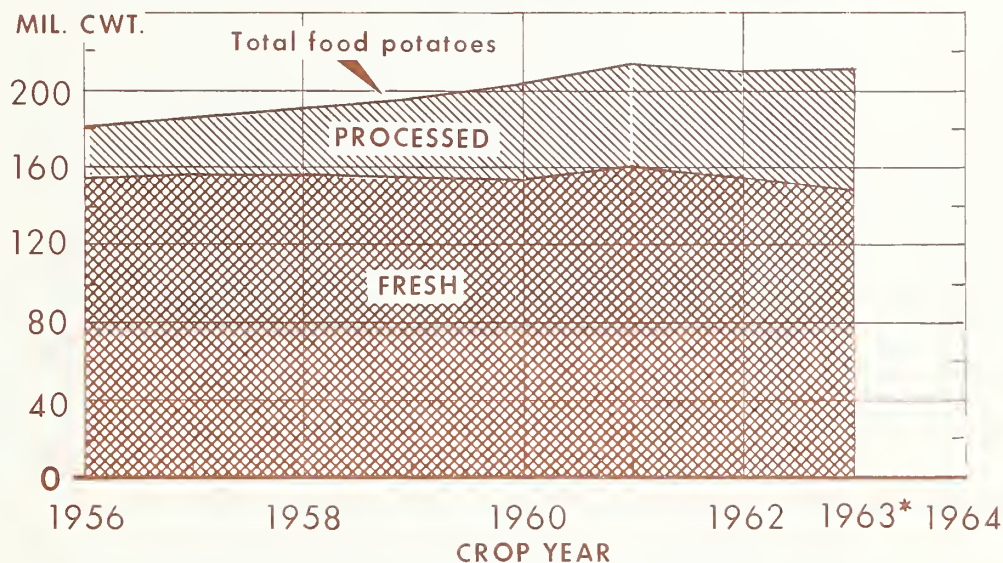


* USED FOR STARCH, FLOUR, LIVESTOCK FEED, SHRINKAGE AND WASTE.

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POTATO CONSUMPTION; PROCESSED USE SHOWS INCREASE



* PRELIMINARY.

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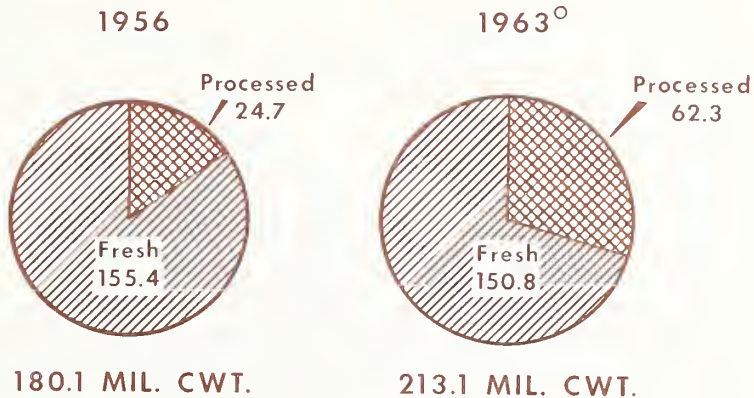
NEG. AMS 558-64 (10) AGRICULTURAL MARKETING SERVICE

Crop Year

Utilization items	1956	1957	1958	1959	1960	1961	1962	1963
Fresh food:								
Tablestock (sales)	146,048	148,408	148,868	149,123	149,199	153,337	150,893	146,307
Farm household food	9,312	8,176	7,279	5,020	5,449	5,236	4,843	4,511
Sub-total	155,360	156,584	156,147	155,043	154,648	158,573	155,736	150,818
Processed food:								
Chips, shoestrings	14,566	17,356	17,063	20,085	21,018	22,642	24,086	26,693
Dehydration	3,223	3,776	5,917	7,656	10,104	8,518	9,280	9,909
Frozen	4,675	4,827	8,263	9,918	15,042	18,138	18,400	22,425
Canned	2,283	2,606	2,864	2,447	2,800	2,775	2,926	3,240
Sub-total	24,747	28,565	34,107	40,106	48,973	52,073	54,692	62,267
(1) Total food	180,107	185,149	190,254	195,149	203,621	210,646	210,428	213,085
(2) Starch, flour	18,336	12,691	18,387	7,718	10,177	20,493	11,285	11,737
(3) Feed sales	7,675	8,950	18,918	6,607	5,348	20,340	7,913	10,103
Feed on farms	4,148	2,718	3,916	3,085	2,909	4,234	3,381	3,128
Total	11,823	11,668	22,834	9,692	8,257	24,574	11,294	13,231
(4) Seed sales	13,435	13,641	13,079	13,583	14,823	13,823	14,333	14,323
Seed on farm	6,752	7,577	7,086	7,166	7,707	7,452	6,085	6,155
Total	20,187	21,218	20,165	20,749	22,530	21,275	20,418	20,478
(5) Shrinkage, loss	15,339	11,796	15,257	12,401	12,850	16,606	13,278	13,199
Production	245,792	242,522	266,897	245,709	257,135	293,504	266,703	271,730

POTATOES USED FOR FOOD

Fresh and Processed



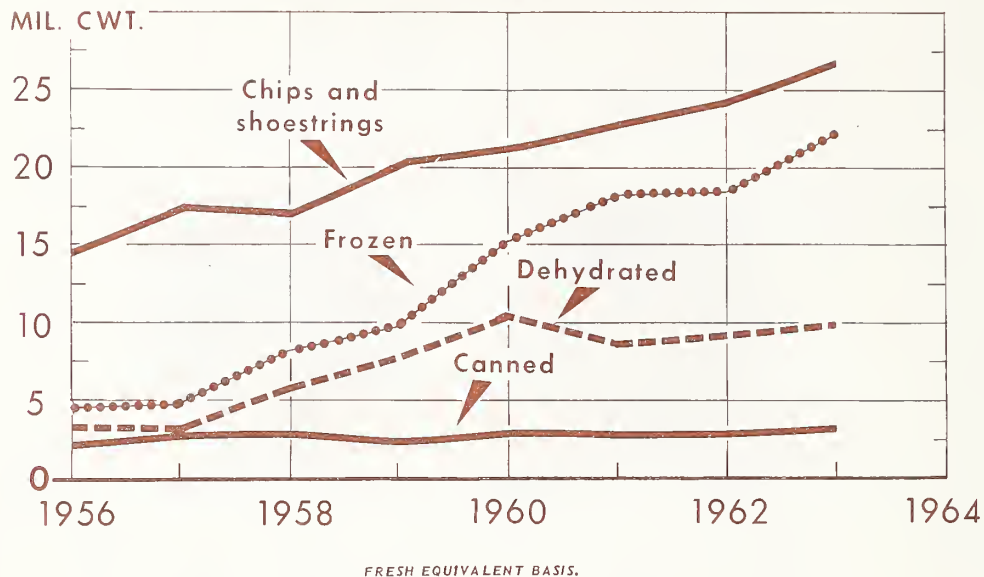
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The total quantity of potatoes used for food increased by 18.3 percent between 1956 and 1963. Since 1956, the total quantity of fresh potatoes used for food peaked at almost 158.6 million cwt. in 1961, but fresh use dropped to a 7-year low of 150.8 million cwt. in 1963. In 1963, the total quantity of potatoes used for food products was record-high, 62.3 million cwt. or 14 percent more than in 1962 and 152 percent more than the 1956 total. Of the total quantity of potatoes used for food in 1963, 29.2 percent was accounted for by processed food products. This compared with 13.7 percent in 1956. Fresh table potatoes, which accounted for 86 percent of the food total in 1956, accounted for slightly less than 71 percent of the 1963 total.

The fresh table market continues as the most important outlet for potatoes. But the sharp uptrend in utilization of potatoes in processed products has broadened marketing opportunities for potato growers.

VOLUME OF POTATOES FOR FOOD PRODUCTS SHOWS GAIN



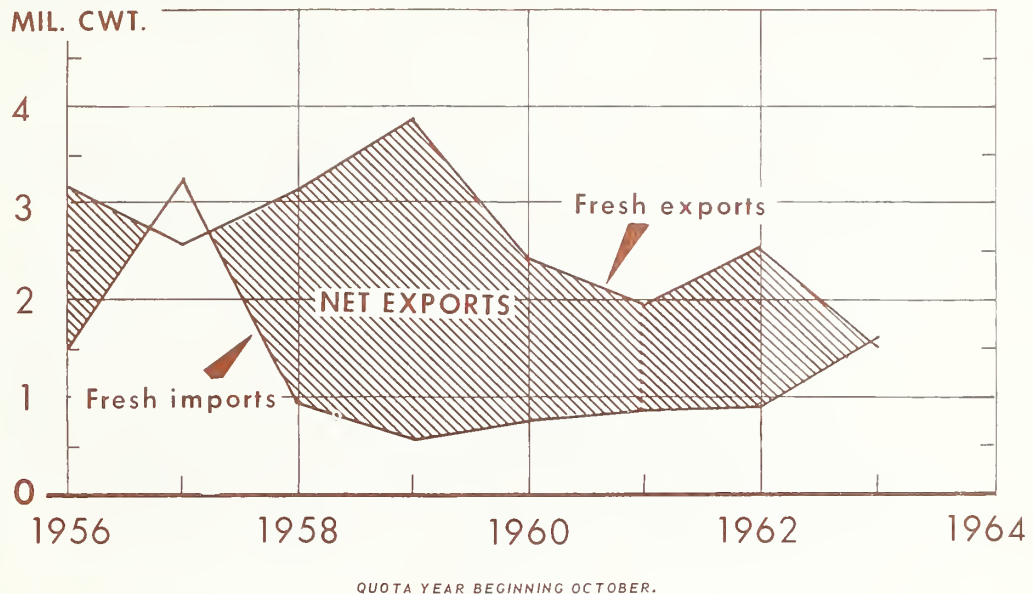
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NEG. AMS 557-64 (10) AGRICULTURAL MARKETING SERVICE

Substantial gains in the use of potatoes in the manufacture of chips and frozen products were recorded in the 1963 crop year. Chippers utilized 11 percent more potatoes than in 1962, and use for frozen products was up 22 percent. In 1963, use for dehydrated products increased substantially but the total quantity dehydrated was slightly less than the 1960 total. Chips and shoestrings accounted for 12.5 percent of all potatoes used for food in the 1963 season; frozen products accounted for 10.5 percent.

Manufacture and disappearance of processed products is expected to continue at a high rate. Shipments to potato chippers in the past several months have exceeded that rate reported in the like months of last year. Freezers are expected to continue to draw heavily on fresh storage supplies in order to meet the increasing demand for frozen products. Rising consumer incomes will likely continue to have a strong influence on expanding the demand for processed potatoes.

EXPORTS AND IMPORTS OF FRESH POTATOES



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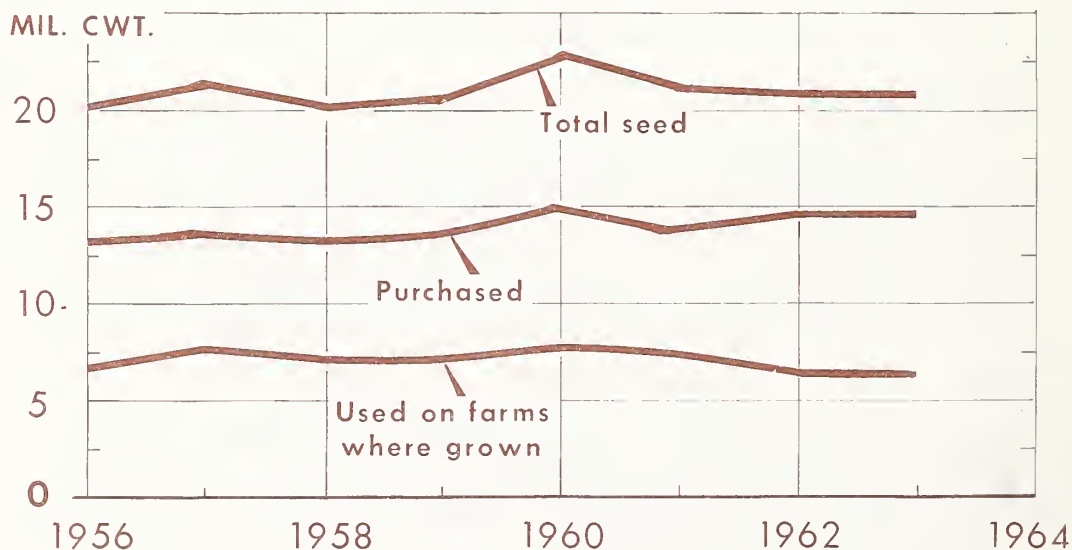
NEG. AMS 547-64 (10) AGRICULTURAL MARKETING SERVICE

Exports and imports of potatoes were nearly offsetting in the 1963-64 quota year. Total imports, all of which originated in Canada, amounted to 1.6 million cwt.; exports amounted to 1.5 million. Most of the exports moved into Canadian markets, and a small volume was sold in Mexico. Because of strong domestic markets, imports of potatoes from Canada in the fall of 1964 have been heavy. Foreign trade in potatoes will continue to be largely with Canada.

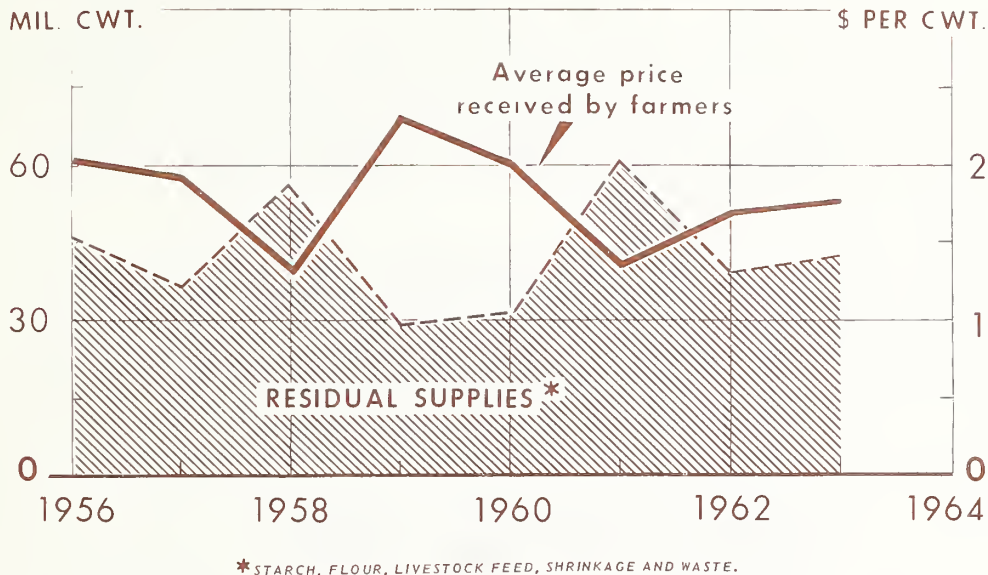
Seed requirements for the annual potato crops have shown little change in recent years. Since the mid-1950's, total utilization has ranged from 20.2 to 22.5 million hundredweight. Although total acreage planted to potatoes has shown a slight downward trend, the total seed used has held relatively stable because seed application per acre has been trending upward slightly. This reflects the shift in potato acreage to large commercial farms where seed application rates usually are heavier compared to small farms.

In the 1963 crop year, farmers purchased 70 percent of the total seed used; the remaining 30 percent was obtained from on-farm supplies. Seed requirements for planting the 1965 crop are estimated at 20.0 million cwt., equivalent to 7.7 percent of the 1965 national marketing guide of 257 million cwt.

POTATO SEED USE STEADY; OFF-FARM PURCHASES GAIN



POTATO PRICES DEPRESSED WHEN RESIDUAL SUPPLIES LARGE



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NEG. AMS 548-64 (10) AGRICULTURAL MARKETING SERVICE

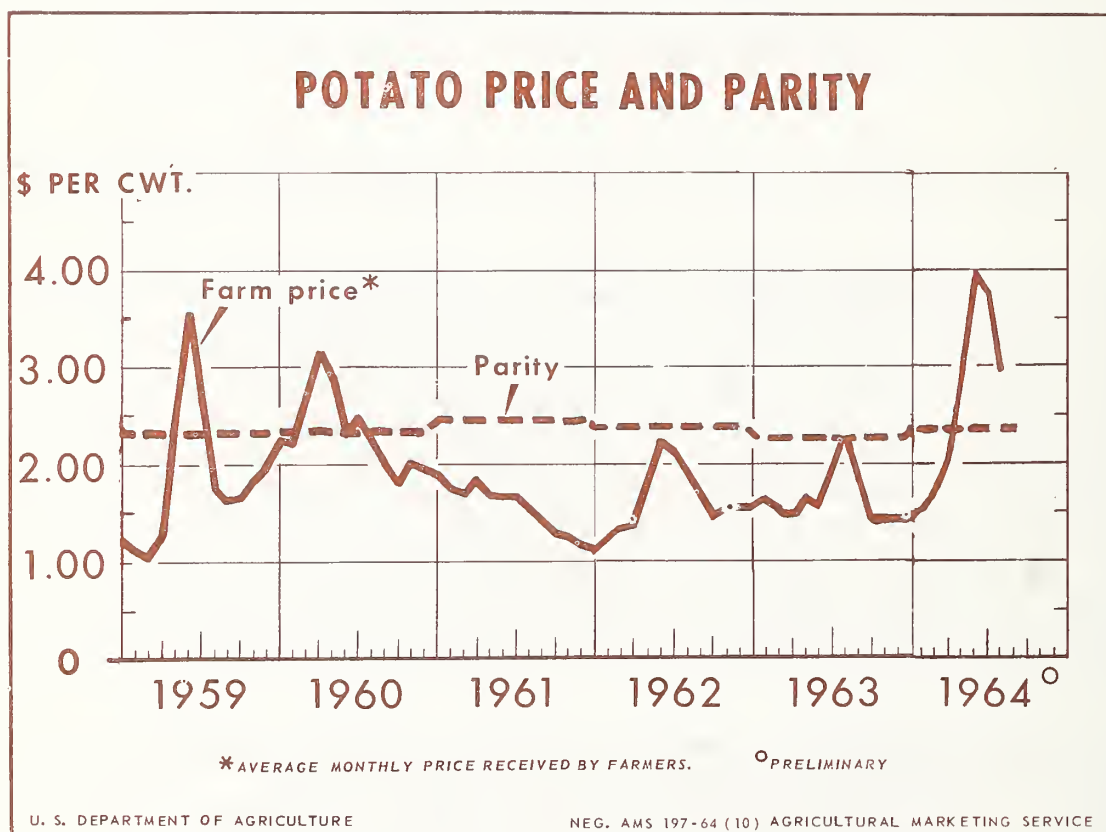
Supplies of potatoes in excess of food and seed needs, and those removed in the grading process are used in the manufacture of starch and flour or are fed to livestock. In addition, a significant portion of each crop is accounted for by shrinkage, waste and loss. Plants in Maine and Idaho process the bulk of potatoes diverted to starch. Most of the potatoes fed to livestock originate in fall crop areas and in the spring crop area of California. Residual quantities in the 1960, 1962 and 1963 crop years ranged from 12 to 14 percent of the U. S. annual production; 21 percent of the 1961 crop moved to residual outlets. A moderate residual quantity is in prospect for the 1964 marketing year which will end in June, 1965. With a marketing guide crop of 257 million cwt., the residual quantity would approximate 23 million cwt.

Average prices received by farmers for potatoes normally change in the opposite direction to changes in the total residual quantity. In the 1961 marketing year, the residual quantity was heavy and prices were depressed. With smaller residual quantities in 1962 and 1963, growers' prices reflected substantial increases compared with 1961.

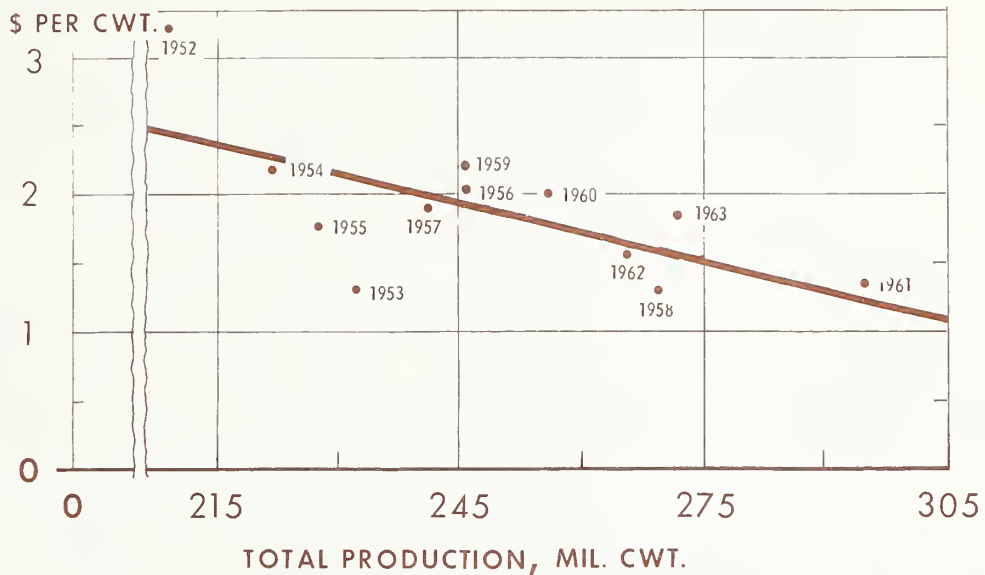
The average price received by farmers for 1964 crop potatoes peaked in June at \$3.98 per hundredweight (see chart below). Supplies increased seasonally during the late summer and early fall, and prices declined. For sales reported during September, 1964, prices averaged \$2.32 per cwt., and during October, \$2.38. The 1964 season average price is expected to continue above parity, which is a measure of the purchasing power of potatoes in terms of the things farmers buy.

In the chart on the opposite page, the black diagonal line represents the 1952-62 average relationship of potato production and average price received by farmers. Large crops, such as those produced in 1958 and 1961, normally return relatively low average prices to growers. The 1952 crop was relatively small and farmers' prices averaged \$3.21 per cwt., an all-time high.

The total value of potato sales have fluctuated widely in successive crop years. As shown in the chart on the opposite page, crop value was relatively low in 1953, 1958, and 1961, years in which production was high and prices were depressed. Based on current market relationships, the value of 1964 crop sales is expected to exceed \$600 million.



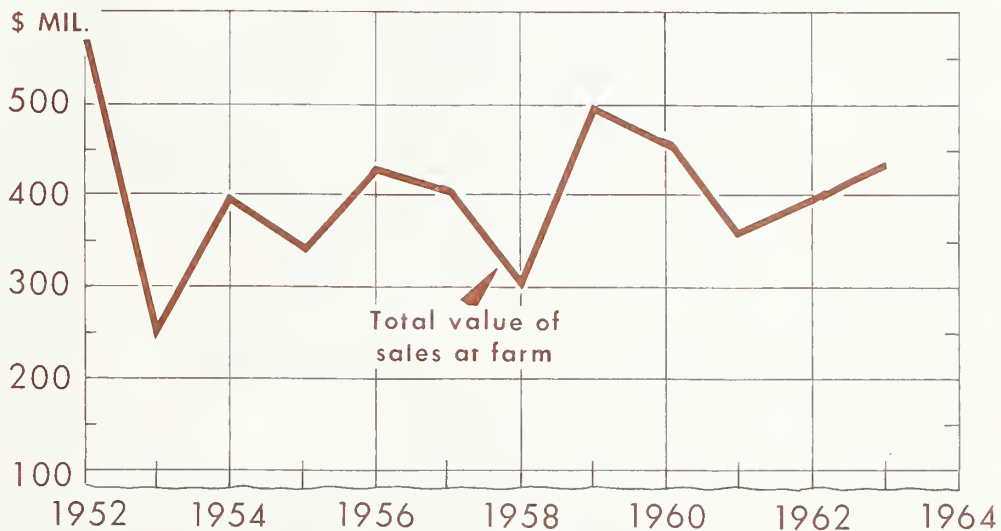
POTATO PRODUCTION AND AVERAGE PRICE RECEIVED BY FARMERS



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SINCE 1953, AVERAGE POTATO CROP SOLD FOR \$387 MILLION



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